

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 DOTE-00 RSR-01 /046 W

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FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC 9111

INFO AMCONSUL CASABLANCA

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E.O. 11652: N/A

TAGS: ETRN, LI

SUBJECT: PAN AM/GOL AGREE RENEW AIRPORT MANAGEMENT CONTRACT

REF: MONROVIA A-112 (NOTAL)

CASABLANCA FOR RCAA

1. ERSKINE RICE, PAN AM VICE PRESIDENT (WHO ACCOMPANIED TO EMB BY TWO LOCAL PAN AM OFFICIALS) TOLD AMB. ON AUG. 9 THAT HE HAD JUST CONCLUDED WITH GOL NEW AGREEMENT FOR MANAGEMENT LIBERIAN AIRPOTS BY PAN AM. NEW AGREEMENT, WHICH NOT YET SIGNED, IS FOR PERIOD THREE YEARS WITH EXPIRATION AUG. 31, 1976.

2. RICE SAID NEW CONTRACT PROVIDED PAN AM WITH HIGHER MANAGEMENT FEE, GREATER CONTROL OVER PERSONNEL MATTERS. THE GOL GOT RENEWED ASSURANCES OF PAN AM'S COMMITMENT TO RAPID LIBERIANIZATION OF OPERATIONS, WITHIN LIMITS PERMITTED BY SAFETY CONSIDERATIONS. MANAGMENT FEE PAID PAN AM ALSO SUBJECT TAXATION BY GOL.

3. AT GOL INSISTENCE PAN AM CONTINUES HAVE RESPONSIBILITY UNDER NEW AGREEMENT FOR "OVERALL OPERATIONS" SPRIGGS-PAYNE AIRPORT AS WELL AS ROBERTS INTERNATIONAL AIRPORT. RICE HAD WANTED RESPONSIBILITY FOR FORMER FACILITY OMITTED

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FROM NEW PACT BECAUSE AIRPORT'S VIABILITY WOULD BE

SERIOUSLY JEOPARDIZED IF ANY USERS SHOULD PURCHASE EQUIPMENT TOO LARGE TO OPERATE THERE. (PRINCIPAL USER AT PRESENT IS GHANA AIRWAYS WHOSE F-28, RICE SAID, PROVIDES SPRIGGS-PAYNE WITH APPROXIMATELY \$65,000 PER MONTH IN REVENUES.)

4. RICE DESCRIBED NEGOTIATING SESSION WHERE HE OUTNUMBERED 4 TO 1 AS HECTIC BUT ENJOYABLE FOR BOTH SIDES. (GOL TEAM WAS HEADED BY DEP MIN COMMERCE, INDUSTRY AND TRANSPORTATION RICHARD MORRIS.)

5. WHEN I QUERIED RICE ON STATUS OF TWA STUDY DESCRIBED REPAIR HE SAID HE UNDERSTOOD IT HAD BEEN SUBMITTED TO GOL AUG. 7 BUT HE NOT AWARE DETAILS.

6 COMMENT: FINALIZATION OF THE MANAGEMENT CONTRACT CAME SOMEWHAT EARLIER AND, APPARENTLY, WITH CONSIDERABLY LESS ACRIMONY THAN PREVIOUS CONVERSATIONS WITH PAN AM OFFICIALS HAD INDICATED WOULD BE THE CASE. WHILE RICE DID NOT SPECIFY THE AMOUNT OF MANAGEMENT FEE UNDER NEW AGREEMENT, PAN AM HAD BEEN SHOOTING FOR \$150,000 PER YEAR. PRESENT FEE \$80,000 PER ANNUM.
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